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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

Proceeding	91194115
Party	Plaintiff Latarie (Pty) Limited
Correspondence Address	MICHAEL CULVER MILLEN WHITE ZELANO & BRANIGAN PC 2200 CLARENDON BLVD., SUITE 1400 ARLINGTON, VA 22201 UNITED STATES culver@mwzb.com
Submission	Motion to Dismiss - Rule 12(b)
Filer's Name	Michael Culver
Filer's e-mail	culver@mwzb.com
Signature	/michaelculver/
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Attachments	Reply Memorandum 07-13-10.pdf (5 pages)(210426 bytes)

IN THE UNIETED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

Latarie (Pty) Limited	)	
	)	
Opposer	)	
	)	Opposition No. 91194115
v.	)	Appln. No. 77832433
	)	Mark: Zafrika
Robert Marx	)	
	)	
Applicant	)	

OPPOSER'S REPLY MEMORANDUM IN SUPPORT OF
MOTION TO DISMISS UNDER RULE 12(b)(6)

Opposer, Latarie (Pty) Limited, submits this reply memorandum in further support of its motion to dismiss Applicant's counterclaim and affirmative defenses. While Applicant characterizes Opposer's motion as "convoluted" and "hypertechnical" (Mem. p. 2), the issues are quite straightforward.

Applicant admits that his counterclaim is alleging fraud, but simply fails to address the required elements for that pleading. Applicant reiterates the factual basis for his pleading and asserts that it is sufficient since the facts are not pleaded on information and belief (Mem. p 3-4). Applicant thus knocks down a straw man argument since Opposer's motion is not challenging the counterclaim on that basis. Instead, Applicant's counterclaim "fails to plead the indispensable element of intent that is required for fraud," as argued in Opposer's opening memorandum (p. 2). Likewise, Opposer did not challenge Applicant's pleading as incorrectly using a "knew or should have known" standard (Mem. p. 6) so that too is a straw man argument.

Additionally, with respect to the required elements of fraud, Applicant does not even plead that any statement by Opposer was false when made during the prosecution of the application that issued as the registration at issue. Applicant also does not address Opposer's argument that the prosecution history as recited by Applicant is factually wrong. Overall, Applicant cites to *Meckatzer Löwenbräu Benedikt Weiß KG v. White Gold, LLC,* 95 USPQ2d 1185 (TTAB 2010), but does not follow its teaching with respect to pleading the required elements of fraud. *See id.* at 1187.

Opposer pointed out that Applicant's counterclaim was captioned with the word "invalid" although no statutory basis was cited for such invalidity, and that Applicant's pleading, despite the caption, was directed to fraud. Applicant's agrees that the pleading is directed to fraud, but throws in an inappropriate reference to Section 2(d) (Mem. p. 6). This misdirection should be ignored since it is the pleading of fraud that is at issue.

As to Applicant's affirmative defenses, the Board has made clear that the principles and constraints of the Federal Rules of Civil Procedure are applicable, including the pleading of fraud. *See* TBMP § 311.02(b) at n. 223 (2d Ed.) ("the pleading should include enough detail to give the plaintiff fair notice of the basis for the defense. [T] he provisions of Fed. R. Civ. P. 9 governing the pleading of that special matter should be followed.").

Moreover, Applicant's affirmative defense of fraud should simply be stricken as redundant and immaterial in view of Applicant's counterclaim for fraud. Under the Board's rules, the affirmative defense of fraud, which attacks the validity of Opposer's registration, must be made by counterclaim and not simply as an affirmative defense. *See*

37 C.F.R. § 2.106(b)(2). Applicant specifically acknowledges this rule and its application here (Mem. p. 7).

In that regard, and with respect to Applicant's other affirmative defense of unclean hands, Opposer's motion to dismiss can be deemed a motion to strike under Fed. R. Civ. P. 12(f). "[T]here seems to be no harm in treating an application under Rule 12(b)(6) to dismiss a defense as a motion to strike." Wright & Miller, Federal Practice & Procedure Civil 3d § 1381 (p. 410). *See also id.* at § 1380 (p. 392-93) ("the technical name given to a motion challenging a pleading is of little importance inasmuch as prejudice to the nonmoving party hardly can result from treating a motion that has been inaccurately denominated a motion to strike as a motion to dismiss the complaint"). Under either name, courts apply the same standard. *See Aspex Eyewear, Inc. v. Clariti Eyewear, Inc.,* 531 F.Supp.2d 620, 622 (S.D.N.Y. 2008) ("The standard on a motion to dismiss also applies to a motion to dismiss a counterclaim pursuant to Rule 12(b)(6) and a motion to strike an affirmative defense pursuant to Rule 12(f)"); *Reis Robotics USA, Inc. v. Concept Industries, Inc.,* 462 F.Supp.2d. 897, 905 (N.D. Ill. 2006) (with respect to a motion to strike, "we evaluate the sufficiency of the defense pursuant to a standard identical to Federal Rule of Civil Procedure 12(b)(6)"). *Cf. Consumer Solutions REO, LLC v. Hillery,* 658 F.Supp.2d 1002, 1021 (N.D. Cal. 2009) ("a court may convert the improperly designated Rule 12(f) motion into a Rule 12(b)(6) motion").

For the reasons stated in Opposer's opening memorandum (p. 3-4), Applicant's pleading of unclean hands is insufficient. *See Qarbon.com Inc. v. eHelp Corp.,* 315 F.Supp.2d 1046, 1050 (N.D. Cal. 2004) (striking unclean hands defense and applying the same "fair notice" standard as quoted above from the TBMP). Applicant, other than

incorrectly arguing that affirmative defenses do not need specificity (Mem. p. 6), has no arguments that address the sufficiency of the unclean hands defense as pleaded. Thus, this affirmative defense should be stricken as insufficient under Rule 12(f). *See Midwest Plastic Fabricators Inc. v. Underwriters Laboratories Inc.*, 5 USPQ2d 1067, 1069 (TTAB 1987) (denying respondent's motion for leave to add unclean hands as affirmative defense and denying as moot plaintiff's alternative motion to strike).

Applicant's third and final section of his memorandum simply raises "red herring" arguments that should also be disregarded. Simply put, Opposer never argued that Applicant lacked standing or that Applicant was required to allege use of the ZAFRIKA mark. These contentions have no bearing on the issues in Opposer's motion to dismiss and/or strike Applicant's counterclaim and affirmative defenses since they are not properly pleaded.

In view of the foregoing, Opposer respectfully requests that its motion be granted.

Dated: July 13, 2010

By: Michael Culver

Michael Culver
Millen, White, Zelano & Branigan, P.C.
2200 Clarendon Blvd., Suite 1400
Arlington, VA 22201
Tel: 703-243-6333
Fax: 703-243-6410
culver@mwzb.com
Attorneys for Opposer

Certificate of Service

This is to certify that a copy of the foregoing was served this 13th day of July 2010 by first class mail, postage prepaid, on the following:

Carl E. Christensen
CHRISTENSEN LAW OFFICE PLLC
Suite 216
1422 West Lake Street
Minneapolis, MN 55408-2616

By: Michael Cohen
Attorney for Opposer